



**COUNCIL PRESIDENT PRO TEM BARBARA BRY
CITY OF SAN DIEGO
DISTRICT 1**

MEMORANDUM

DATE: May 22, 2020
TO: Independent Budget Analyst Andrea Tevlin
FROM: Council President Pro Tem Barbara Bry *Barbara Bry*
SUBJECT: Final Budget Priorities for Fiscal Year 2021

The world today is starkly different from when I issued my initial budget priorities for Fiscal Year 2021 (FY21) in January. COVID-19 has upended life in the City of San Diego and across the world. We have had to suddenly adjust to a new reality as we practice social-distancing to stop the spread of the novel coronavirus. Without warning, restaurants, gyms, schools, and hotels, and thousands of our small businesses shuttered their doors. Consequently, unemployment skyrocketed, and our city's revenues plummeted. It is unclear how long it will take to recover from this economic and public health crisis. What is clear is that we, as elected officials, must chart the course for an equitable and inclusive economic recovery. This will require difficult decisions. Through my experience in the business world, I know that tough times create the opportunity for positive change. We now have the opportunity to build an inclusive new San Diego for everyone.

Cognizant of the extraordinary financial hardships facing the City, I have outlined my final budget priorities for FY21. My highest priority is to protect our core services. This is achievable and must include completing the sale of the Mission Valley Stadium site to San Diego State University as soon as possible, extricating the City from the 101 Ash lease, and identifying resources to deliver our core services.

Final FY21 Budget Priorities

Protect our Core Services

As mentioned, my highest priority is to protect our core services from budget cuts. This includes public safety, libraries, parks and recreation (including our lakes and reservoirs,) tree trimming, and code enforcement. I support the restoration of the 16 Full Time Employees (FTEs) to the Code

Enforcement Department, the restoration of funding to open our Recreation Centers, and the allocation of \$1.1 million to fund untested rape kits in the May Revise. Yet, there are still vital programs that did not see funding restored. Therefore, I recommend the following:

• Restore Library Hours (Sunday and Monday)	\$6,806,480
• Restore Tree Trimming services to FY 2020 levels	\$1,800,000
• Restore Weed Abatement services to FY 2020 levels	\$756,000
• Restore funding for Brush Management services to 509 acres from 466 acres	\$411,000
• Restore South University City Fast Response Squad	\$389,186
• Restore funding to STAR/PAL Unit	\$1,400,000
• Restore funding to Domestic Violence unit Civilian support staff	\$148,565
• Restore funding to reopen City reservoirs for recreation	\$400,000
• Restore funding for Water Contact program at El Capitan Reservoir and the Waterfowl hunting season at Barrett Reservoir	\$108,501
• Restore funding for wastewater disposal contractual services at City reservoirs	\$140,000
• Restore funding to City Auditor's Office	\$295,000
• Restore funding for Graffiti Abatement to FY 2020 Levels	\$268,000
• Restore the 2-person Pothole Crew eliminated	\$130,000
• Fund additional refuse pickup in the Mission Beach Community	\$70,000
<i>Total</i>	<i>\$13,122,732</i>

Build an Inclusive Recovery

To ensure any economic recovery plan crafted by the City is equitable and inclusive, I recommend the following:

- Close the digital divide and offer citywide broadband internet access to enable all residents the ability to connect with local government, telemedicine, education, and other services. I request \$250,000 be allocated for a pilot program, beginning in our low-income communities. My office will be presenting a long-term strategy in the next month.
- Of the \$12 million allocated to provide financial relief to local small business and non-profits hurt by COVID-19, I request the City set aside 35%, or \$4.2 million, to create a COVID-19 Resurgent Fund for minority businesses and nonprofits. Additionally, \$1.8 million must be allocated for technical assistance. \$1 million must be set aside for small businesses inside the City's Low-and-Moderate Income Census Tract. The City must also work with its community partners to ensure that language is not a barrier to apply for these funds, and that the funds are distributed equitably.
- Restoration of the Living Wage Program Senior Management Analyst (\$102,887) to continue current levels for compliance and enforcement of Living Wage and Prevailing Wage and violations of wage theft.

Infrastructure

- Initiate the Del Mar Heights Road and Mercado traffic light project
- Allocate funding to begin design of the South University City Library improvements and

expansion

- Fully fund first phase of construction for Marcy Neighborhood Park improvements
- Allocate funding for the Coastal Rail Trail (Gilman Drive from the La Jolla Colony Drive to La Jolla Village Drive)
- Initiate construction of the Village Loop Road
- Fully fund the transportation evaluation of Carmel Valley and Pacific Highlands Ranch as identified in the Carmel Valley Livability Subcommittee Report
- Repair/Replace the railing at the beach overlook at Moss Lane
- Repair cliff subsidence along Coast Walk, focusing on the eroded section encroaching into the trail at the rear of 7981 Prospect Place
- Secure funding to open and close the gate at the parking lot at Kellogg Park to prevent overnight parking
- Initiate construction of sidewalk from Azul Street to Poole Street
- Fully fund Sherman Heights Community Center Playground
- Infrastructure Fund True-Up Payment, as per Prop H \$5,000,000

Reexamine How the City Operates

Many City employees are working from home and delivering high-quality service to our residents. By shifting to a permanent distributed workforce, the City will cut costs, increase savings, and maximize efficiencies. To this end, I recommend:

- Restructure the City's workforce by offering cost-saving work from home and flex work opportunities
- Terminate and/or renegotiate all real estate leases to align with new work from home and flex work opportunities
- Furthermore, the City should be asking itself these questions:
 - How many city employees can continue to work remotely?
 - Considering how many employees will be working remotely, how much office space does the City need?
- Examine the top-heavy high-salaried management from Assistant Chief Operating Officers to Deputy Directors to streamline efficiencies and create cost savings

FY21 Funding Resources

A fiscally sound and balanced budget requires identifying resources for spending. Therefore, I present the following as alternate resources for both one-time and on-going expenses as appropriate:

One-time Funds

- Sale of Mission Valley site as per Measure G

- General Fund one-time revenue \$20,000,000*
- Elimination of budgeted operating expenses \$4,000,000

On-going Expenses

- Extricate City from 101 Ash Street lease \$10,400,000
- Cease Smart Streetlight spending \$1,300,000
- No new programs, positions, expansions and departments
 - Mobility \$615,000
 - Homeless Services \$486,901
 - Storm Water \$382,000
 - Cultural Affairs \$56,000
 - CleanSD \$6,700,000
- Renegotiate City's Contract with SWEEP
- Freeze general fund hiring through September 30 except to replace individuals who leave
- Expand use of Commercial Paper

Suspense File

Below are important programs and projects the city should review for implementation after the financial impacts of COVID-19 have become clearer and the City's Department of Finance has gathered more data to share with the City Council in their quarterly budget monitoring reports and beyond 2020.

- \$250,000 for a Climate Action Campaign Update—re-open the plan to make adjustments that will reflect the new world of a larger remote work force, etc.
- Hire a consultant to conduct a travel survey at least every two years to complement counts,
 - \$400,000 every two years for travel survey;
- Take advantage of low-cost bike and pedestrian counters
 - \$25,000 annually for counters
- Additional funding for tree planting, inspections, maintenance, and other activities included in the Five-Year Urban Forest Management Plan.
- Hiring one more arborist/horticulturalist
- Improvements to the Mission Bay Golf Course

Thank you for your consideration of the priorities I have outlined here. In summary, I have requested funding to be restored to core services, \$13,122,732, \$250,000 for a pilot program for universal broadband internet access, \$102,887 to restore the position cut from the Living Wage Program, \$5,000,000 for the True-Up payment of the Infrastructure Fund, and \$2,000,000 of one-time funding contingent on the timely sale of the Mission Valley Stadium site totaling \$20,475,619. Above, I identified sources of funding totaling \$43,939,901. With the financial uncertainty the City is facing, I request that any unused funding be placed in a COVID-19 Revenue Reserve, to safeguard the City as we navigate through these unprecedented times. If you have any

* I recommend \$2 million be set aside to restore Arts and Culture funding

questions or concerns, please contact Budget Committee Consultant Mauricio Medina at mauriciom@sandiego.gov or (619)-236-6159.